

**GOVERNMENT OF INDIA
COAL AND MINES
LOK SABHA**

UNSTARRED QUESTION NO:535
ANSWERED ON:04.03.2002
IMPORT OF COAL
GUNIPATI RAMAIAH

Will the Minister of COAL AND MINES be pleased to state:

- (a) whether coal is being imported for certain specific industries due to its non-availability in the country;
- (b) if so, the details of these industries;
- (c) the reasons for not making available the required coal;
- (d) the maximum and minimum prices of both types of imported and indigenous coal;
- (e) whether the cost of the imported coal is lesser than that of the indigenous;
- (f) if so, the details thereof and the reasons therefor; and
- g) the corrective steps taken/proposed to be taken by the Government in this regard?

Answer

THE MINISTER OF STATE FOR COAL & MINES (SHRI RAVI SHANKAR PRASAD)

(a) & (b) : All types of coal and coke are open for imports under Open General Licence (OGL), and the consumers of coal have been importing their requirements of coal directly. However, as per available information, steel, power and cement plants are the major industries importing coal in view of inadequate availability of required quality of coal in adequate quantities indigenously or on cost consideration.

(c) : Indian coal by virtue of its drift origin is having high ash content. Reserves of low ash coking and non-coking coal are limited. Indian coal is also having very difficult washability characteristics.

(d) : As per information available, the CIF price of imported coal in Asian market during 2001 is approximately US \$ 37.63 per tonne. Current prices of different grades of coal produced by Eastern Coalfields Limited (ECL) and Mahanadi Coalfields Limited (MCL) are given below. Coal prices of other subsidiaries of Coal India Limited fall between these ranges.

Price range of Run-of-Mine (Non-Long Flame) coal (Basic price in Rupees per tonne)

Grade	HIGH (ECL)	LOW (MCL)
A	1,382	912
B	1,222	819
C	1,006	674
D	794	566
E	630	445
F	502	351
G	358	250

(e) to (g) : Imported coal, per-se, at ports is costlier than the pit-head price of Indian coal on per tonne basis. However, the delivered price of Indian coal upon transportation over long distances becomes higher than the price of imported coal on equated energy basis mainly due to following factors:-

i) Indian coal is inherently of low Gross Calorific Value (GCV) when compared to imported coal.

ii) Indian coal by virtue of location of coal fields in central/eastern part of India requires transportation over long distances to consumption points and transport costs are substantially high.

iii) Indian coal also undergoes levy of royalty and sales tax, which may not be obtaining to the same degree on imported coal.